

Shutesbury Finance Committee

Tuesday, February 7, 2023 Virtual (Zoom) Meeting

Members Present: Ajay Khashu, Bob Groves, Jim Hemingway, Susie Mosher, Jim Walton, George Arvanitis, Melody Chartier and ex-officio member, Town Administrator Becky Torres
School Committee Members - Dan Hayes, Chair, and Steve Sullivan, Financial Director - Caitlin Sheridan,
Union 28 Superintendent -Jen Culkeen, Shutesbury Elementary principal – Jackie Mendonsa
Conservation Commission Members: Miriam DeFant, Chair and Mary David
Members of the Public: Mary Lou Conca, Mike Vinskey, Les Luchonok,
Meeting called to order at 6:32 pm

1. Minutes from 1/4/23 and 1/10/23 meetings approved as amended.
2. Capital Planning met and heard about three capital item proposals from the school.
 - A. They proposed replacing the library floor for \$20K and the Kitchen floor for \$16.5K. This will finish the refurbishing of the floors in the entire school.
 - B. Debbie Lee, Technology Coordinator and Computer Teacher, has been working on the process to replace the broken phone system. She has a three-year contract with Crocker Communications for \$376/mo. and the \$5K capital expense is expected to be managed within the FY23 SES budget.
3. FY 24 Shutesbury Elementary School budget review: The Finance Committee thanked Caitlin Sheridan for the clear budget format she developed for the FY24 proposal as well as the information provided in regards to questions submitted by the Finance Committee.
 - A. The matter of how to present the School Choice and ESSER fund/expenditures (\$153.8K and \$57.2K respectively) was discussed. Is it best to present them as a separate component as is currently done, or should the costs and revenue be incorporated into the operating budget? Leverett and Pelham have these costs and revenue incorporated into the main school budget. Dan stated that the school committee is willing to format information as the Finance Committee directs. Currently those expenditures represent spending to meet temporary staffing needs due to special circumstances. Another possibility is for the current, separated format to include historical data, similar to the main budget so the year-to-year changes can be seen more readily.
 - B. Dan Hayes said drawing from these funds allows the administration to respond to needs that arise more spontaneously due to student needs, without requiring a Special Town Meeting or recourse to the Finance Committee reserves. It was noted that other departments have funds to draw on outside of the operating budget.
 - C. Operating budget lines that may be reviewed and changed are the heating fuel, electricity and the telephone costs.
 - D. Rural Aid is projected with a \$20K increase. Jen Culkeen and Jo Comerford have been advocating for U28 towns to receive this aid.
 - E. The salaries in FY 24 reflect the last year of a three-year contract. Negotiations for the next contract will begin in FY24.

4. Treasurer Budget review: Ryan Mailloux, treasurer submitted budget proposals for nine budget areas.
 - A. Six of the budget proposals are level funded: OPEB actuarial, OPEB, Tax Title, Short Term borrowing, Veterans' Benefit, and Unemployment.
 - B. Ryan proposed an increase \$22K for the health insurance line. The Health Insurance Trust just voted a 6% rate increase. However, since the FY 23 health insurance line is likely to come in under budget, he agreed that level funding could be considered.
 - C. Medicare Tax has a 3% increase in synch with the likely COLA increase for wages.
 - D. The treasurer's expenses show a small increase due to postage going up. However, he took out his cell phone expense line to lower the postage impact.
 - E. We had a discussion about the OPEB investing. Currently Bartholomew handles our municipal investing. Following last year's OPEB review, Ryan directed the company to move to a somewhat aggressive investing portfolio. The state has a list of allowable investments and investment guidelines. The Finance Committee is not in charge of the investing. We would like to hear how the 2022 investments did. The expected long-term rate of return (net of expense) is 5.65%.
 - F. Ryan is working with a tax title attorney to reduce the number of parcels in the tax title process. The attorney costs so far are \$4K and he expects to spend another \$2 -3K in FY23.
5. Conservation Committee (Cons Com) requests re: legal fees. Miriam Defant requests another Finance Committee Reserve Fund transfer for legal fees dealing with Lot O32.
 - A. This is a continuation of the situation of the Cons Com needing support to handle legal questions. Legal support from the Town Counsel, Donna MacNicol, is not available. She has recused herself, due to the fact the applicant to the Cons Com is the Town of Shutesbury.
 - B. The \$2,500 allocated from the Fin Com reserve fund in December has been spent. There are meetings with the Select Board and permitting ahead that the ConsCom may have more legal questions to address. It looks like the Cons Com will need an additional \$1,500.
 - C. The legal line in the town's operating budget has been totally expended.
 - D. A couple of views emerged in the discussion. Since this is the same funding need that was presented in November, some felt the \$1,500. should be funded from Fin Com reserves. Another view felt that the Cons Com should draw on their own funds (\$7K) to finish up this process. If the commission proposes a project in the future that needs financial support, they can come back to the town or the Fin Com for funding.
 - E. A motion was made and seconded to allocate \$1,500 from the Finance Committee reserve funds to the Conservation Commission for legal fees. Motion failed 3 Yes; 4 No.
6. Other Fin Com transfer requests: Transfer requests came from the Collector and from the Town Administrator for the legal budget line.
 - A. The Collector received a bill from our current software manager for \$5,850 to extract our data and send it to VADAR, our new software company. Although this feels like a ransom note, it appears that it is in the original contract, and any attempt to make this a do-it-yourself transfer may jeopardize the data. In order to move this process along, a motion was made and seconded to transfer \$5,850 from the Finance Committee reserve fund to the Collector to pay this invoice. Unanimously approved.
 - B. The legal budget line has been spent out and there are more bills coming in. There has been a lot of legal activity this year with cases, bylaws, applications, etc. Town Counsel and

Boards have been informed that the legal costs have exceeded the budget. A motion was made and seconded to transfer \$13,000 from the Finance Committee reserve fund to the legal budget line. Unanimously approved.

7. Discussion regarding the resulting Finance Committee Reserve funds:
 - A. Previously there were two transfers from the reserve funds – to the Cons Com and to the Fire Department. With tonight's \$18,850. transfers, the reserve fund balance is \$33,950.
 - B. If the reserve fund becomes too low, the Finance Committee could put an article on the Annual Town Meeting warrant to transfer money from Capital Stabilization or Free Cash to the reserve fund meet end of FY23 transfers, if necessary.

Two other bits of information:

- A. Aaron Saunders, our state representative is holding public hours at the town Library the first Tuesday of the month at 12:30.
- B. Annual Town Meeting has been scheduled for outside, Saturday, May 20. We can look at our meeting schedule to plan out the rest of our FY24 budget work.

Our next regular meeting is on Tuesday, Feb.21, 2023. We will have scheduled Capital Planning and the Assessor budgets for review. There is a Four Town Meeting with the Regional School on Saturday, February 11, 2023 at 9 am.

Meeting adjourned at 9:05pm.